

Neighborhood Networks

Monthly Conference Call

June 17, 2004

**Surviving and Thriving During Tough Economic Times: Diversification
of Funding Sources**

Operator: Good afternoon, my name is Dashanta and I will be your conference facilitator. At this time I would like to welcome everyone to the Neighborhood Networks June 17th conference call, "Surviving and Thriving During Tough Economic Times: Diversification of Funding Sources."

All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question and answer period. If you would like to ask a question during this time, simply press star, then the number one on your telephone keypad. If you would like to withdraw your question, press star then the number two on your telephone keypad.

Thank you. Ms. Schachter, you may begin your conference.

Ms. Schachter: Thank you Dashanta. Good afternoon and welcome to Neighborhood Networks June 17th conference call, "Surviving and Thriving During Tough Economic Times: Diversification of Funding Sources."

As all of you well know, whether your center merely survives or strives during the current economic downturn is largely dependent on whether it can capture multiple and diverse sources of funding and support. Before I introduce our guest experts on this conference call, I want to take a moment to remind multi-family FHA-assisted and insured properties operating Neighborhood Networks Centers that START, the Strategic Tracking and Reporting Tool, is designed to help Center staff organize information critical to effective fund development. If you have not already reviewed START and its fine and elegant organizational features, I encourage you to do so. For more information about START, visit our web site at www.neighborhoodnetworks.org or call the Neighborhood Networks toll free information center at 888-312-2743. I also want to remind conference call participants that this call will be transcribed and recorded. The transcript and an audio of the call will be made available in about two weeks, accessible from the Neighborhood Networks' web site.

Today we are privileged to have with us two distinguished guest speakers with significant knowledge in the field of fund development, Sarah K. Masters and Dr. Anita Plotinsky.

Sarah K. Masters is director of programs at the National Center on Non-Profit Enterprise, a position she has held for four years. Sarah designs, markets, and delivers NCNE's educational activities, writes and coordinates publications, advises and assists non-profit practitioners, and helps NCNE address critical economic challenges facing non-profit organizations. Sarah has a B.A. in linguistics from Binghamton University in Binghamton, New York and a Master of Non-Profit Organizations from the Mandel Center for Non-Profit Organizations at Case Western Reserve University in Cleveland, Ohio. Before joining NCNE, Sarah was president and coordinator for the Housing Counseling Certification Program in Fairfax County, Virginia, director of development for the Louisiana Coalition for Tax Justice in Baton Rouge, Louisiana, coordinator of annual giving for the Binghamton University Foundation in Binghamton, New York and a teaching assistant at Binghamton and Case Western Reserve Universities and for Vestal Central Schools in New York. Sarah brings to NCNE her experience from these earlier positions as a program developer, fundraiser, and teacher in widely varying subjects. Sarah has also served as an officer and a board member of several community organizations. She has a strong commitment to helping non-profit organizations achieve the highest level of service to their constituents.

Following Sarah's presentation, Dr. Anita Plotinsky will address this conference call. During Anita's presentation it would be helpful if you could get onto the Internet and follow along with her.

Anita H. Plotinsky is the director of the Washington, D.C. office of The Foundation Center, a national non-profit service organization dedicated to increasing public understanding of foundations and philanthropy. From 1994 to 2000 she served as Executive Director of the Association for Research on Non-Profit Organizations and Voluntary Action, known as ARNOVA. ARNOVA is an international membership association of scholars and non-profit organization professionals that fosters the creation, application, and dissemination of information about non-profit organizations, voluntary action, and philanthropy. She was also a member of the philanthropic studies faculty at Indiana University. Before that she

was assistant director for Academic Programs at the Indiana University Center on Philanthropy. Dr. Plotinsky is a graduate of Indiana University and received her Master's Degree and Ph.D from the City University of New York. She writes and speaks frequently on a variety of topics related to non-profit organization management and philanthropy. After Anita's presentation and remarks, we'll have a question and answer session.

I will now turn the conference call over to Sarah K. Masters. Please go ahead Sarah.

Ms. Masters:

Thank you Vickie. Funds for non-profit organizations come from many different sources and that's what I want to talk to you about today. There are multiple ways that you can access some of these other sources. They do vary by type of organization, but the main ones are donations of all different kinds, fees for service, government contracts, and investment income. We recommend that you take a careful look at where your money comes from so that you can make good decisions.

Many non-profits rely on one or two types of revenue only, which can be okay, but generally it makes sense to have several different types of revenue in case you're hit with an unexpected reduction in funding.

At NCNE we think in terms of having a portfolio of revenue streams to support the organization. I'm going to talk about the different possibilities, but it's important to point out that not all of them will be right for you and your organization. And I'll talk about how to decide which ones might be and which ones you should pursue.

For the non-profit sector as a whole, 36% of revenue comes from the government, which includes federal, state and local governments, and 54% comes from fees. This is broadly defined to include fees that you charge for your services as well as fees that you earn for other business you do, and we'll talk more about that, and then also investment income, so that category is pretty broad. And only 10% come from private donations and that would include individual giving, corporate donations, foundation grants and special events. These numbers are for the non-profit sector as

a whole, so what's important to remember is that this includes health organizations like hospitals and educational institutions like private universities so that does kind of skew the numbers. Also it only applies to organizations that have to file their 990 Form and those are organizations that have over \$25,000 a year in income and are incorporated as 501(c)3 charities. Also religious organizations don't have to file that form. So they do get most of their income from private donations, particularly personal donations. That also would change the number if we were to include those.

But social service organizations, which would include housing services, generally get only 20% of their funding from donations. So when you're thinking about the ways your organization gets money and the ways that it might get money, you'll need to think through all the costs and potential results of pursuing each of these different kinds of funding streams. And when I talk about cost, I'm including, of course, not only your direct costs, but also the more hidden costs, which are the value of your time and also, if you weren't doing this, what would you be doing? So to choose one means not choosing another and it's important to really think through what that other would be.

So I'm going to go through each of these different categories and have a few things to say about each one. I'm not very knowledgeable about government funding. I have a feeling that some of you are much more knowledgeable than I am, but the main thing I wanted to say about that is that their process can be very time-consuming and expensive and that the money from the government can be slow to arrive. And the reporting process can be very difficult. So when you think about applying for government funding, you should definitely keep all of that in mind.

Now about fees for service. Groups that serve needy populations generally don't like to think about charging for their services, but there are several reasons to consider doing so even beyond the income that you might receive. There's a lot of evidence that people equate the value of something with its price. So if you give your services away for free, people may not think it's valuable. Also when people pay for something, they often take it more

seriously. There is some research that shows that when people pay for therapy, they get more out of it than if the same therapy sessions are provided for free. So think about what services you provide and whether you can charge for them. You will run into resistance when you start to charge a fee for services that have been free, but the trick is to stick it through, and if your service is valuable to people, they will purchase it. It's kind of interesting, but the problem is worse when you go from a service that's free to a very small amount, like a dollar per counseling session, for instance. But once you have established a price, when you want to raise it you don't have as much of a problem because people expect prices to go up over time.

Another type of earned income is goods or services that you don't provide because it's your mission, but that you provide because you want to use them to raise money. And so this would include tee-shirts that you sell that have your logo on them, a craft fair, and things like that. And, of course, they can be much more complicated than that where you're actually starting a business on the side. An example that might pertain to some of you would be if you have a fitness center for residents. You could charge a high rate for people who maybe work nearby who want to use it, so that's not directly a part of your mission, but it's a way of using something that you have to raise money. When you get really into this in a complicated way, there are all kinds of legal considerations and other complications. But at a community level, there's a lot that you can think about doing with this. There's some research that shows that it's important that when you do something like this that you focus on something that you're already very good at. That's the way to make sure that it's going to be the most successful.

Also included in fees is investment income and the only thing I'm going to mention about that is that you should make sure that, if you have any money in the bank, that you make sure that you have a well thought through strategy for it. So you might want to designate some of it for future needs and then keep some of it in an emergency fund, like a rainy day fund. And if it's possible, and I know that this might be a stretch, but if you can hold some of it as an investment that you don't touch, that you just use to collect the interest and you use to fund your programs, then that would really

be terrific.

Okay, so now donations. A lot of sources of donations are only available to tax-exempt non-profits with their 501(c)3 status and I know that Vickie has talked about this in the past and I know she has some resources to help you with it. But that's just the important thing to say up front. Individuals provide, by far, the largest source of contributions to organizations. A lot of individual giving does go to religious groups, but a lot goes to human services organizations as well. We often divide up individuals into prospective major donors and prospective regular donors; you might call them annual donors. And what a major donor is to your group can be very different from what a major donor would be to Harvard University. But whether it's a \$100 or \$100,000, these potential major donors, they deserve a special approach. You can usually find these people through contacts your Board members and other supporters have. A lot of people don't like to ask their friends for money, but you might suggest that they remember that they are not asking for themselves, but they are asking for your center, which is, of course, very worthy of support. And, believe it or not, many people want to make more donations, but nobody asks them. So you might want to remind your Board members about that.

Now potential regular donors are anyone who has an interest in your work or could have an interest in your work. I would suggest considering local businesses, maybe local school employees, and former residents. Depending on how much of your current income you decide to spend on this, you could even include direct mail to part of your local community. And there are plenty of businesses that would be happy to help you with that. But it is expensive and it requires a commitment to stay with it because some of the rewards won't come until down the road. What tends to happen is that people give a small gift in the first year and larger gifts in the future. Also some people won't give until you've asked them five or six times. So you may decide that direct mail is not the way to go with this. But you can still seek out regular donors. You can have volunteers call ten people each. You can send teenagers out canvassing the neighborhood and ask businesses to put a donation can on their cash register. There are lots and lots of different ways.

But about the tax-exempt status, smaller donors often aren't really worried about the tax deductibility of their gift, but larger donors usually are. So if you're not tax-exempt, you may miss out on some of these contributions.

I'm going to include special events here as a sub-type of individual contributions. Special events range from fancy dinners and balls to chicken dinners and walk-a-thons. They take a lot of work and have a lot of cost. So think through a decision to hold one very carefully. They can easily suck up all of your time and other resources. On the plus side, they are easily advertised in the community and are a way to build general support for your center.

Make sure you find out who attends so you can ask them for a regular contribution in the future. Other contributors are businesses and corporations. You probably have some businesses that help you with what is called in-kind support. So that would be when a grocery store donates the drinks for a community party or a corporation donates their old computers to your center. These are in-kind gifts and they are very important for us to support, especially to small organizations. The only things to be cautious about is to make sure that you can use the gift and it won't wind up costing you a lot later on. For instance, you don't want to accept a copier that's going to require a lot of expensive servicing down the road. Businesses that provide in-kind support are good prospects for providing cash support as well. More and more we're seeing businesses that need to support organizations that are aligned with their corporate goals. So a company that needs employees with a science background might support a science lab. It's often your job to show them how your project relates to their company. For instance, a company with a lot of Spanish employees might be interested in ESL classes. With small gifts it's often in personal relationships that prompt the contribution. So make friends with all the business people that you can. If they can't help you, they might be able to refer you to someone who can.

Anita will talk about foundation grants and I'm sure she'll say this, but I want to underline it: Grants are not a source of long-term support. Foundations like to fund new projects that can be copied around the country and they want to see that you have a plan to support yourself after the grant. What they can give you is some time to get your program going and start pursuing some other

sources of revenue and income.

My overall point is that you should give serious thought to what types of funding you want to look for, what the potential is for each of them, and what the costs are for each. When thinking about costs, make sure you think about all the costs, especially your time and energy. Then you can make a decision about which ones to go forward with. If it's reasonable for you, we recommend trying to have multiple sources of income so that your organization can survive if you suddenly lose one. Government contracts can disappear, corporations can and do go out of business and take their contributions with them, and individuals lose interest or are affected by their own economic circumstances. If you have a balance of different types of revenue, you are somewhat protected against these risks. At the National Center on Non-Profit Enterprise, we look at these kinds of decisions and develop advice based on research and on real life experience to help non-profits in the important work that they do. We have a web site that gets into some issues a little bit more and you can find it at www.nationalcne.org. I know that there is never enough time for questions at this kind of presentation and that some of you will be listening to this or reading this later and I'm happy to talk further with any of you after this session or in the future. The best way generally to reach me is via e-mail at sarah@nationalcne.org.

Thank you very much and Vickie, back to you.

Ms. Schachter:

Thank you so much Sarah. You summarized in great detail all the various forms of funding that a Neighborhood Networks Center or any other similar non-profit organization should consider when they seek to support their programs. And I'm really happy that you kind of gave us an equation to use. The type of funding, times the potential, times the direct and indirect costs and that equation will help us judge whether we should pursue that type of funding or not. So you've given us some incredibly valuable information. Thank you.

I'd now like to turn the conference call over to Dr. Anita Plotinsky. Please go ahead Anita.

Dr. Plotinsky:

Good afternoon everyone. I'm going to proceed on the assumption

that many of you are sitting at a desk with a telephone and a computer. If you are sitting in front of a computer, what I'd like you to do is go to a Web site, which is www.fdncenter.org. That's the Foundation Center's Web site and, if you are able to, you can follow along with me as I show you some resources that you can use as you explore this topic.

As Sarah indicated, non-profits receive income from a variety of sources and that would include government, federal, state and local, earned income, including fees for services, and investment income, and contributions from individuals and institutions.

What I'd like to do now is focus on those philanthropic contributions in that third category. And let's take a look strictly at contributions to non-profit.

Giving to non-profits exceeds \$200 billion a year. And if we were to look at a pie chart to see where all those contributions come from, what we would discover is that in a typical year, 10% to 12% of those donations come from foundations, 5% or 6% come from corporations and all the rest, which is about 85%, come from individuals. Now that's surprising to many people who like to think that, or may think, that a large amount of philanthropic support comes from foundations. In fact it's really quite a small percentage. The support from individuals comes primarily from living individuals, although some comes from individuals who give through their wills. Put all of that together and it's very clear how important it is to put together a balanced revenue mix and that's true all the time, but particularly in a shaky economy such as we have right now. Many non-profits are very good at planning their programs, but it may not occur to them that they also have to plan their fund-raising and it's helpful to actually put together a fund-raising plan to determine where all of the support to meet your organization's needs will come from, what percentage, how many dollars might be expected, for example, from major gifts from individuals, how much from special events, or from direct mail, or from foundations and corporations.

Sarah did a wonderful job of giving you a lot of ideas in a short time. What I'm going to do is not give you a lot of specific ideas, but point you to resources so that you can develop more of these

on your own. If you have gotten into the Foundation Center's Web site now, you'll see that across the top you have a number of options. And if you are not sitting in front of a computer you can write some of these things down to explore later. Across the top you have a number of options- "Philanthropy News Digest," "Finding Funders," "Learning Lab," "Researching Philanthropy," and "Marketplace" and I'd like to invite you to move your cursor over to "Learning Lab." And if you simply hold your mouse over "Learning Lab," underneath you will see a lot of possibilities displayed, "Training Opportunities," "Virtual Classroom," and so forth. I'm not going to take you through all of those now, but I would like to be sure and tell you that "Virtual Classroom" is there. That's a place where you can take free online tutorials to learn more about fund-raising and particularly proposal writing.

Underneath "Virtual Classroom" you will see "Frequently Asked Questions," "Online Librarian," and so forth.

Let's take a look at "Frequently Asked Questions." Let's click on that one right now, "FAQs," "Frequently Asked Questions," and now you should be looking at a page that says, "15 Most Frequently Asked Questions." That's in the middle of your screen.

But if you look over to the right, there's a greenish bar where you can click on "Full Listing of FAQs." If you click there, and I'm doing that now, you will get a couple of hundred questions, and if you click on any one, you will get a complete answer with links to many resources. At the top it says "About The Foundation Center," but if you scroll down, here are a lot of questions about "Foundations." Keep on scrolling down, "Corporations," keep on scrolling down, "Government Funders," and keep on scrolling down, "Individual Donors." In the "Individual Donors" category, for example, the questions are, where can I find information on cultivating donors? on celebrity giving? on planned giving? and planning special events? Those are all things that are very good to know about. And if you keep on scrolling down, here are a lot of resources on funding research, which means finding appropriate potential funders where you work, and then "Proposal Writing," "Non-Profit Management," and other issues. If you keep on scrolling down below the individual grant-seeker section, you come to something called "Fiscal Sponsorship." And I'm mentioning this because I understand that many of you do not yet

have 501(c)3 status. As Sarah indicated, if you do not have 501(c)3 status, it may be difficult to get funding for your organization. So you will probably want to go through that process and become a tax-exempt non-profit; however, there is an alternative, and the alternative is getting a fiscal agent and what you're doing is taking your program and putting it under the umbrella of an existing non-profit. It can be a church, it can be a community center, it can be a lot of things, but you can operate your program, run it through that organization, and that's a good way of making sure that you can receive grants, for example, in a hurry.

Now I'd like to focus in even more closely at institutional donors, including foundations, corporations, and grant-making public charities. You can be running the best center of your kind in your town, in your part of the country, but if you send a grant proposal to a foundation that was established for the purpose of supporting art museums or symphony orchestras, they're not going to give you any money because it's not what they do. Most foundations have particular areas of interest, areas in which they want to fund. Your job is finding them, making a match, finding a match between the work your center does, and funders interested in funding the kind of work you do. Similarly, you can be providing the best neighborhood services in your part of the country, but let's say that you are working in California, and you're doing a fabulous job in California. If you send a proposal to a foundation that is interested in supporting neighborhood efforts in Kansas, they're not going to give you any money because many funders choose to select the cities and states where their money will be invested. Still another part of your work is matching the place where you are working with the city or state where a particular foundation or corporation is interested in funding.

Now how do you do that? Well let me tell you how not to do it. You do not want to surf the Internet. And that's because, even in the year 2004 when everything seems to be on the Internet, only about 6% of foundations have a Web presence. And I did say six, as in s-i-x, not sixteen or sixty. The way to do this kind of research is through the Foundation Center. We are a national non-profit service organization. We collect, organize and disseminate information about the work of philanthropic institutions.

How can you do it? There are a number of ways. First of all, you can use our directories and databases free of charge in any one of about 230 locations around the country. If you are on our web site right now, click on Home, actually you don't have to do that. From where you are right now, you can look at the blue bar on the left side, just to the left of Frequently Asked Questions; there is a blue bar with a lot of things you can click on. And if you go down about one, two, three, four, five, six, seven, eight, nine, ten, eleven--eleven headlines, you get to something called Library Web Sites. You click there and you'll see that there are Foundation Center Libraries in Atlanta, Cleveland, New York, San Francisco, and Washington, D.C. In addition, as you'll see under Washington, D.C., there is something called Cooperating Collections. And if you click on Cooperating Collections, you'll see that there are libraries in every state in the United States where you can find Foundation Center directories and databases. Cooperating Collections are generally public libraries, university libraries, or other special libraries that have agreed to hold a core collection of Foundation Center resources and to make them available for use to the public free of charge.

So using our web site, you can find a library or cooperating collection near you. And in each of these places there will be print directories or electronic databases where you can indicate the kind of work you do, the place that you are working, the kind of support you need, whether it's capital support to build a building, general operating support, special project support, scholarships, seed money, technical assistance, or whatever. You can indicate how much money you need; you can put in all kinds of information. There are fourteen criteria that can be mixed and matched to create a customized, narrowly-focused search. You can use this database and you don't have to be a computer genius to do it, by the way. In each of these libraries, there is a librarian who is trained in using this database and will happy to show you how to get started.

So using the database, you can easily produce a list of prospective funders. And for each of those prospective funders, you can retrieve a page or two of information that will include their contact information, information about their programs and activities, their finances, their leadership, and application information, how to

apply, when the deadlines are, what to enclose, what to include, who to send it to, all the information that you need to apply.

I believe that probably the number one reason that grant proposals are turned down is that people are sending them to the wrong funders in the first place. Using the Foundation Center's database will enable you to make sure that you are sending your proposal to the right funders.

I know that some of you are probably thinking at this point, is this available on the web? And the answer is yes it is. The catch is that if you want to use it on the web, as opposed to in one of our physical locations, you do have to purchase a subscription and I will show you right now where you can do that. If you look on the top, that horizontal bar that says, "Home," "Philanthropy News Digest," "Finding Funders," etc., under "Finding Funders," the second item down is "Foundation Directory Online" and this is the online version of the database, which includes detailed information on more than 76,000 grant-making institutions and more than 350,000 actual grants that have been awarded over the last few years. And information about how to subscribe is here on this web site.

There are other resources here on the Web site that can be helpful to you. I would guess that there's probably about a bazillion pages of information on the Foundation Center's Web site and with the exception of the "Foundation Directory Online" and "Foundation Grants to Individuals Online," everything else on this Web site is free.

And now if you will click on your back button, you will get to one of the Foundation Center's main pages again and let me show you some of the other resources. Once again, under "Learning Lab," you have "Virtual Classroom" with "See Online Tutorials" and "Frequently Asked Questions" that will give you links to myriad resources and will provide a wide range of topics relating to fund-raising and non-profit management. Right under the "Frequently Asked Questions," you will see something called "Online Librarian." "Online Librarian" enables you to type in a question and click to send it to a member of our staff who will send you a personal answer in a day or two.

Next to "Learning Lab" is something called "Researching Philanthropy." And under "Researching Philanthropy" you will find information and reports from our Research Department, that's the "Funding Trends" and the "FC Stats," which is short for statistics, but if you keep on going down you will see something called "Literature of the Non-Profit Sector." That is our library catalog and that includes information about more than 20,000 books and articles related to fund-raising and non-profit management. If you are doing this with me now, click on "Literature of the Non-Profit Sector" and click again where it says "Search the Database " (it's a little button) and you will see that you can search our library catalog by author, title, subject, keyword and other things. So if you are looking for information about how to start a planned giving program, how to do special events, how to do earned income ventures, how to, perhaps, start a business venture in support of your non-profit, you can type in your keywords or your subject and you will get a list of books and articles that are available at The Foundation Center Libraries and some of the books may also be available at other libraries as well so that you will know where to find answers to your questions.

There is a wealth of other information on this Web site as well. There are many other things I have not shown you, but I think I need to stop to allow time for questions. So I am going to stop now and turn this back over to Vickie.

Ms. Schachter:

Thank you Anita. That was remarkable. I was using the Web site and following your instructions. I frequently go to The Foundation Center Web site for some of the fantastic research and review articles there and I actually did not realize how extensive your "Frequently Asked Questions" section was and how it really does cover a multitude of resources for people who are interested in learning more about foundations and private donors. So everything you have told us has been incredibly useful and helpful.

Dashanta, I would like to find out if we have any questions.

Operator:

At this time I would like to remind everyone, in order to ask a question, please press star, then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Operator: Your first question comes from Sonya Manners of Inkster, Michigan.

Ms. Manners: Good afternoon, very good presentation. Thank you. It was very informative. I have, in the past, gone to The Foundation Center Web site, but it was a little bit overwhelming.

My first question is ---do you send out an RFP notification? Do you have a bulletin board?

Dr. Plotinsky: I'm glad you asked. If you are still looking at the Web site, on the top there is something called "Philanthropy News Digest."

Ms. Manners: Right.

Dr. Plotinsky: This is a clipping service. It's just a wonderful news service that you can subscribe to free of charge. And if you do that, you get the week's philanthropy news delivered to your personal e-mail box---

Ms. Manners: Right.

Dr. Plotinsky: ---once a week. Under "Philanthropy News Digest," there is something called "RFP Bulletin." Our staff collects RFP's, (Requests For Proposals) from a wide variety of sources and you can subscribe to this as well at no cost and once a week you will receive the week's RFP's delivered to your e-mail. But you can also search them at any time. And, if you're looking at this with me, you'll see that they're divided into categories.

Ms. Manners: Yes.

Dr. Plotinsky: I'm looking at it now and it's from A, not from A to Z, but certainly from A to W, from "Aging" and "Animal Welfare" to "Substance Abuse" and "Women."

Ms. Manners: Right.

Dr. Plotinsky: We don't seem to have anything under Y's and Z's. And you can check the RFP's at any time to see which ones have been issued by

grant-makers.

Ms. Manners: Right. I thought that would be a good thing for the listeners because I did do that.

Dr. Plotinsky: Good.

Ms. Manners: Thank you.

Ms. Schachter: Thank you Sonya. Dashanta, do we have additional questions?

Operator: At this time I would like to remind everyone, in order to ask a question, please press star, then the number one on your telephone keypad.

Your next question comes from Mary Frances Byrd of Houston, Texas.

Ms. Byrd: I have to apologize. I've been in another meeting and I got in late so I'm embarrassed, but I want to ask Anita her Web site, that Web site. I got in at the tail end and I apologize.

Dr. Plotinsky: Oh sure.

Ms. Byrd: But I do want to get it from you.

Dr. Plotinsky: I'll be happy to give it to you, but if anybody loses the web site, all you have to do is type Foundation Center---

Ms. Byrd: Okay.

Dr. Plotinsky: ---into any search engine and it will pop right up.

Ms. Byrd: You know you're talking to a 75-year old grandma.

Dr. Plotinsky: You know what?

Ms. Byrd: What?

Dr. Plotinsky: I was not born in the computer age either. Okay, the Web address: www.fdncenter.org.

Ms. Byrd: Okay, thank you.

Dr. Plotinsky: You're welcome.

Ms. Byrd: I appreciate it. I'm going to practice, I promise.

Ms. Schachter: Thank you. Dashanta, do we have any additional questions?

Operator: At this time there are no questions.

Ms. Schachter: Well I know I have a question. This is Vickie Schachter from Neighborhood Networks and I wanted to ask Susan if she had any experience that she could relate to us as a "lesson learned" on behalf of some of the not-for-profits for which NCNE provides consultation about the old adage of not putting all of one's eggs in a basket?

Ms. Masters: You're looking for a horror story?

Ms. Schachter: I actually am because I think it helps our Centers and the staffs of our Centers really understand the importance of diversification.

Ms. Masters: I'm not thinking of a specific organization, but I've certainly heard of organizations that have lost big grants, that perhaps they were expecting to be renewed on an annual basis and that's not what the foundation expected. And they've had to dramatically scale back the services that they've offered because of that. And in some cases organizations even have to close down. So there's definitely a risk-management aspect to diversifying your revenue streams.

Ms. Schachter: Thank you Sarah. Dashanta, do we have any questions?

Operator: Yes, your next question comes from Sonya Manners of Inkster, Michigan.

Ms. Manners: I think this is very interesting. On the training programs, I see that they are mainly in New York, California. Do you ever come like to Michigan and are these training sessions, do you have to be in person to go to them? None of them are ever done over the web?

Dr. Plotinsky: We offer an extensive schedule of trainings at our five libraries, in New York, Washington, Cleveland, Atlanta and San Francisco. But some training is also offered at the Cooperating Collections. And I'm sorry, I did not catch your state. Where are you?

Ms. Manners: Michigan.

Dr. Plotinsky: Okay. If you click on the "Cooperating Collections" list in Michigan, and I'm doing that now, I see that we have Cooperating Collections in Alpena, Ann Arbor, Battle Creek, Dearborn, Detroit, East Lansing, Farmington Hills, Flint, Grand Rapids, Houghton, Scottville and Traverse City in Michigan.

Ms. Manners: Right. I live near Dearborn.

Dr. Plotinsky: And each of those places will offer some limited training. In addition, however, there's virtual training on our "Learning Lab" and if you click on "Learning Lab" and click on "Virtual Classroom," you will see a list of the online training opportunities that are offered. Those are all free of charge. In addition, we have some full day seminars, which have a modest fee attached, and those move around the country.

Ms. Manners: Okay, okay, that's really cool. Now how could you find out if one of the Cooperating Collections, like the one in Dearborn or the one at Wayne State, which are very close to me, are hosting any training sessions? Do they advertise that or do you find out on the web?

Dr. Plotinsky: Different libraries handle it differently. I would suggest getting in touch with the librarian in charge.

Ms. Manners: Okay.

Dr. Plotinsky: Just call up and ask to speak with the librarian in charge of The Foundation Center Collection at each of these libraries and speak with a librarian and find out about upcoming programs.

Ms. Manners: Okay, thank you.

Dr. Plotinsky: You're welcome.

Operator: Your next question comes from Robert Spencer of Goulds, Florida.

Mr. Spencer: Yes ma'am, go ahead, go ahead Bruce.

Mr. Robinson: Hi, can you hear me?

Ms. Schachter: Yes.

Mr. Robinson: Okay, my name is Bruce Robinson. I'm with Robert Spencer who resides in Cutler Manor Apartments in Miami, Florida. I took interest in your comment about developing a plan that most non-profits and particularly organizations like us do a reasonable job obviously in doing programming, but the other part of that could be improved is developing a fund-raising plan. And I think it would be interesting to elaborate a little on (1) what some of the elements would go into putting together an annual plan like that and (2) if you have some sources, in terms of examples, of what a plan like that would look like in terms of putting one together?

Dr. Plotinsky: Well I think you would begin with your budget to find out how much money you're going to need and then figure out all the different ways that you're going to meet that budget, how much money you expect to receive, for example, through fees for services, or things like that, and then decide all of your options. Are government grants an option for you, are you receiving money from individuals, do you expect to receive funding from foundations, are you running special events? Just sort of make a list of all of the options and you might want to consult some good basic fund-raising books. And you can find those through our library catalog or I'm sure you may know of some yourself. And it's kind of like putting together a puzzle, matching different amounts of money realistically to different possibilities for receiving that money. And the format doesn't much matter. The important thing is to sit down and think about it seriously, together with your Board, together with your staff, figure out what is realistic, what is possible, and put together a plan, with a timetable, for achieving your fund-raising objectives. But I do recommend that you consult a good basic fund-raising book. The Foundation Center publishes one that I can recommend, "Securing Your Organization's Future." It's by Michael Seltzer and there are

many other fine fund-raising books that can give you some help in getting started.

Mr. Robinson: Okay, thank you.

Operator: At this time there are no further questions.

Ms. Schachter: Well, I think that since we're close to 3 p.m., if there are no further questions, I'd like to take this opportunity, on behalf of Neighborhood Networks, to thank our speakers, Sarah Masters and Dr. Anita Plotinsky, for the time that they have spent with us and for the wealth of resources that they have provided us on this very important topic. Again, it's important that we pay attention to the bottom line and that we understand that diversifying funding is a way to help centers thrive. It's not merely enough to survive in today's world; you need to thrive in order to serve your residents and community members as best as you can.

We look forward to meeting with you again on a conference call in July. Please watch your e-mail for further announcements about that.

And, again, our thanks to Sarah K. Masters and Dr. Anita Plotinsky. Thank you all.

Operator: This concludes today's conference call. You may now disconnect.
[END OF CONFERENCE CALL]